

TENNESSEE HOUSING DEVELOPMENT AGENCY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2001 AND JUNE 30, 2000
(Expressed in Thousands)

	<u>2001</u>	<u>2000</u>
Cash flows from operating activities:		
Receipts from customers	\$ 248,777	\$ 235,181
Other miscellaneous receipts	1,186	933
Acquisition of mortgage loans	(116,946)	(420,922)
Payments to service mortgages	(5,448)	(5,073)
Payments to suppliers	(2,670)	(3,103)
Payments to federal government	(547)	(1,560)
Payments to employees	<u>(1,672)</u>	<u>(3,143)</u>
Net cash provided (used) by operating activities	<u>122,680</u>	<u>(197,687)</u>
Cash flows from non-capital financing activities:		
Operating grants received	63,809	40,459
Negative cash balance implicitly financed (repaid)	(895)	(5,254)
Proceeds from sale of bonds	135,390	513,974
Proceeds from issuance of notes	84,865	31,180
Operating grants paid	(77,494)	(52,036)
Cost of issuance paid	(1,092)	(1,070)
Principal payments	(194,467)	(357,693)
Interest paid	<u>(102,560)</u>	<u>(88,154)</u>
Net cash provided (used) by non-capital financing activities	<u>(92,444)</u>	<u>81,406</u>
Cash flows from capital and related financing activities:		
Acquisition of fixed assets	<u>-</u>	<u>(16)</u>
Net cash used by capital and related financing activities	<u>-</u>	<u>(16)</u>
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	509,209	218,191
Purchases of investments	(335,259)	(281,286)
Investment interest received	<u>36,558</u>	<u>37,515</u>
Net cash provided (used) by investing activities	<u>210,508</u>	<u>(25,580)</u>
Net increase (decrease) in cash and cash equivalents	240,744	(141,877)
Cash and cash equivalents, July 1	<u>117,448</u>	<u>259,325</u>
Cash and cash equivalents, June 30	<u>\$ 358,192</u>	<u>\$ 117,448</u>

The Notes to the Financial Statements are an integral part of this statement.

TENNESSEE HOUSING DEVELOPMENT AGENCY
STATEMENTS OF CASH FLOWS (cont.)
FOR THE YEARS ENDED JUNE 30, 2001 AND JUNE 30, 2000
(Expressed in Thousands)

	<u>2001</u>	<u>2000</u>
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income	\$ <u>47,203</u>	\$ <u>19,932</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation and amortization	856	966
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(1,476)	5,024
(Increase) decrease in mortgage interest receivable	(123)	(993)
(Increase) decrease in first mortgage loans receivable	24,083	(289,064)
(Increase) decrease in deferred charges	(9)	107
(Increase) decrease in other receivables	2	3
Increase (decrease) in accounts payable	213	(2,824)
Increase (decrease) in accrued payroll	46	5
Increase (decrease) in due to primary government	11	1
Increase (decrease) in deferred revenue	319	14
Investment income included as operating revenue	(55,911)	(32,793)
Interest expense included as operating expense	<u>107,466</u>	<u>101,935</u>
Total adjustments	<u>75,477</u>	<u>(217,619)</u>
Net cash provided (used) by operating activities	\$ <u><u>122,680</u></u>	\$ <u><u>(197,687)</u></u>
Noncash investing, capital, and financing activities:		
Accretion of deep discount bonds	\$ 5,353	\$ 5,783
Cost of Issuance	<u>-</u>	<u>2,027</u>
Total noncash investing, capital, and financing activities	\$ <u><u>5,353</u></u>	\$ <u><u>7,810</u></u>

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